

1 Amend 2 Cal. Code Regs. section 18705.5 as follows:

2 **18705.5. Materiality Standard: Economic Interest in Personal Finances.**

3 (a) A reasonably foreseeable financial effect on a public official's personal finances is
4 material if it is at least \$250 in any 12-month period. When determining whether a governmental
5 decision has a material financial effect on a public official's economic interest in his or her
6 personal finances, neither a financial effect on the value of real property owned directly or
7 indirectly by the official, nor a financial effect on the gross revenues, expenses, or value of assets
8 and liabilities of a business entity in which the official has a direct or indirect investment interest
9 shall be considered.

10 (b) The financial effects of a decision which affects only the salary, per diem, or
11 reimbursement for expenses the public official or a member of his or her immediate family
12 receives from a federal, state, or local government agency shall not be deemed material, unless
13 the decision is to appoint, hire, fire, promote, demote, suspend without pay or otherwise take
14 disciplinary action with financial sanction against the official or a member of his or her
15 immediate family, or to set a salary for the official or a member of his or her immediate family
16 which is different from salaries paid to other employees of the government agency in the same
17 job classification or position, or when the member of the public official's immediate family is
18 the only person in the job classification or position.

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20 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 87100, 87102.5,
21 87102.6, 87102.8 and 87103, Government Code.